

## SENATE.

TUESDAY, December 9, 1919.

(Legislative day of Monday, December 8, 1919.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

WILLIAM P. DILLINGHAM, a Senator from the State of Vermont, appeared in his seat to-day.

## RAILROAD CONTROL.

The Senate resumed the consideration of the bill (S. 3288) further to regulate commerce among the States and with foreign nations and to amend an act entitled "An act to regulate commerce," approved February 4, 1887, as amended.

Mr. CUMMINS. Mr. President, on further reflection I have concluded that so far as I am concerned I am quite willing that the motion of the Senator from Wisconsin [Mr. LENROOT] shall prevail, and I am very glad to have the bill returned to the Committee of the Whole.

The VICE PRESIDENT. The Chair does not believe that that can be done before the roll is called, as the yeas and nays were ordered on the question.

Mr. CUMMINS. The yeas and nays were not ordered on the motion.

The VICE PRESIDENT. The Chair understands that they were ordered on the question of referring the bill back to the Committee of the Whole.

Mr. JONES of Washington. I ask unanimous consent to vacate that order.

The VICE PRESIDENT. Without objection, it is vacated, and the bill is back in Committee of the Whole.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ball	Elkins	Lodge	Sheppard
Brandeggee	Fernald	McNary	Sherman
Culbertson	Hale	Moses	Smoot
Cummins	Jones, Wash.	Myers	Spencer
Dial	Keyes	Page	Thomas
Edge	Knox	Phipps	Wadsworth

Mr. SMOOT. The senior Senator from Indiana [Mr. WATSON], the junior Senator from Indiana [Mr. NEW], and the senior Senator from Kansas [Mr. CURTIS] are detained from the Senate on official business.

The VICE PRESIDENT. Twenty-four Senators have answered the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. BECKHAM, Mr. CAPPER, Mr. CHAMBERLAIN, Mr. COLE, Mr. FEELINGHUYSEN, Mr. JOHNSON of South Dakota, Mr. KELLOGG, Mr. LENROOT, Mr. MCKELLAR, Mr. NELSON, Mr. NORRIS, Mr. OVERMAN, Mr. STERLING, Mr. SWANSON, Mr. TRAMMELL, Mr. UNDERWOOD, and Mr. WILLIAMS answered to their names when called.

Mr. GAY entered the Chamber and answered to his name.

Mr. MYERS. The Senator from Delaware [Mr. WOLCOTT] is detained from the Senate on official business.

Mr. SHEPPARD. The Senator from Arizona [Mr. ASHBURST], the Senator from Nebraska [Mr. HITCHCOCK], the Senator from North Carolina [Mr. SIMMONS], and the Senator from Kentucky [Mr. STANLEY] are absent on official business.

Mr. UNDERWOOD. I wish to announce that my colleague, the senior Senator from Alabama [Mr. BANKHEAD], is detained on official business.

Mr. WALSH of Montana. I desire to announce that the Senator from Nevada [Mr. PITTMAN] is detained from the Senate on account of the illness of his brother.

Mr. GAY. I wish to announce that the senior Senator from Louisiana [Mr. RANDELL] is necessarily absent. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Forty-two Senators have answered to the roll call. There is not a quorum present.

Mr. SMOOT. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The VICE PRESIDENT. The Sergeant at Arms will carry out the instructions of the Senate.

Mr. McCORMICK, Mr. WALSH of Montana, Mr. KING, Mr. KIRBY, Mr. POMERENE, Mr. LA FOLLETTE, Mr. WATSON, Mr. CURTIS, Mr. NUGENT, Mr. SUTHERLAND, Mr. HARRISON, and Mr. STANLEY entered the Chamber and answered to their names.

The VICE PRESIDENT. Fifty-four Senators have answered to the roll call. There is a quorum present.

## ANNUAL REPORT OF THE ATTORNEY GENERAL.

The VICE PRESIDENT laid before the Senate the annual report of the Attorney General of the United States for the year 1919, which was referred to the Committee on the Judiciary.

## PETITIONS AND MEMORIALS.

Mr. DIAL. I have received from Dr. Watson, secretary of the war work commission of the Methodist Episcopal Church South, of Washington, D. C., resolutions concerning the treaty of peace and league of nations, which I ask to have printed in the RECORD and referred to the Committee on Foreign Relations.

There being no objection, the resolutions were referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

## RESOLUTIONS CONCERNING THE TREATY OF PEACE AND LEAGUE OF NATIONS.

"We stand to-day little more than a year removed from the date of the armistice—November 11, 1918—that marked the beginning of the successful termination of the greatest war of world history. In this awful conflict of the nations our country bore a most honorable and heroic part. Our sons leaped to the colors with wonderful enthusiasm; our people everywhere consecrated their all to the high purposes for which America entered the war; our ministers offered themselves without regard to sacrifice that they might serve our sons in camp and field, minister to them in service, bury them when dead, mark their graves, and comfort the loved ones bereft. Many of our ministers and consecrated laymen gave themselves wholly to service as soldier pastors, Young Men's Christian Association secretaries, Red Cross and all manner of welfare and relief work; while our women, young and old, at home and in the field, gave themselves in an unparalleled service to ameliorate the horrible conditions of war.

"Many priceless lives were given to accomplish the great ends of truth and righteousness for which we fought. These willingly laid down their lives for a cause so high, noble, and Christ-like. They sleep across the seas amid the flowers of Flanders, and their graves are kept with loving care by those who were delivered from destruction by their valor. Others no less glorious in their sacrifice fell victims to disease in the camps, on the seas, or beyond. We cherish the memory of all as hallowed, forever immortal, in the sacrifice they made for world freedom.

"The survivors have returned to us with victory upon their banners. We give them glad welcome, and forever cherishing the memory of their valor and devotion to justice and freedom winning the applause of the world, we join with our returned sons in the great reconstruction made possible by them.

"We may never know how much of the glorious victory of our armies was due to the cooperation of the church, but the power of this divine agency has been abundantly and gratefully acknowledged by the Christian men who led our Army to battle and to victory. While we may not yet have sufficient perspective to estimate the hand of God in it all, and the passing years may demonstrate more fully and clearly the divine hand and purpose, already those who have eyes to see the movements of spiritual forces must see clearly the hand of God in gracious protection and in the final decision of His will to bring a righteous peace to the earth. When we were in the midst of the conflict the church uttered her voice in no uncertain sound, and with the command of spiritual authority bade her sons go forth to battle in the strength of her Lord.

"We would here review some facts bearing upon the church as an instrument of God in bringing peace. The year 1918 opened with the world in terror lest the aims of Germany be accomplished, the struggle of the Allies lost, and high principles of freedom perish. January 8, 1918, President Wilson, animated by the same high principles that had guided him throughout the terrible conflict, gave out the now world-famous 14 points of peace. February 15 Germany resumed aggression against Russia. April 14, showing the desperate character of the situation, the allied armies of France and England called Gen. Foch to the command of both armies as general in chief. May 25 German U-boats sunk 19 coastwise vessels, and May 27-30 German armies overran Chemin des Dames, enveloped Soissons, reached the Marne at Chateau-Thierry, divided the French and English Armies, put the English Army to fighting with backs to a tottering wall, and occupying both sides of the Marne were shelling Paris with a long-distance gun, and the world was paralyzed with horror at the thought of the end.

"But the American soldiers were being landed in France in such numbers as to make the world marvel. At this moment of supreme crisis May 30 was fixed as a day of humiliation and prayer to God by order of Congress and presidential proclamation, and the noon hour of each day was soon thereafter fixed as an hour of prayer. June 1 American troops went into action.

June 6-12 the Second Division of the American Army, including the American Marines, bent back the German lines at Chateau-Thierry and started the retreat of the German hordes that was kept up without real break until driven within their own territory, and an armistice was sought by Germany. October 14 Germany made overtures of peace to President Wilson, but was positively informed by him that there could be no peace until Kaiserism was ended. October 19 Austria's offer of peace was rejected, but October 23 President Wilson, standing absolutely alone and against the advice of his Cabinet, of Congress, and of popular feeling, made reply to Austria's further overtures, standing upon the original 14 points, but referring the decision to the Allies. This resulted in peace with Austria, after which Germany was compelled to accept terms, and the armistice was signed November 11, 1918. Thus, clearly through the church, and through a man born in a manse, reared in the faith and true to its high principles, not only was peace made but the lives of multiplied thousands of our sons saved who otherwise must have been sacrificed before the strong fortifications of Metz could have been taken.

"We are not willing to believe as we study these providential facts marking the hand and will of God that our high ends and God's gracious purpose will have been accomplished in a mere temporary victory over our enemies. Our President, our sons, we all, we confidently believe, had enshrined in our hearts the great principles of universal justice learned at the altar of the church of Christ and in our Christian homes. For these high things we consecrated all and demonstrated that consecration in deeds of physical valor and moral heroism that will be the theme of song and story to the end of the ages. It remains now for this Christian Nation to erect to the memory of those who died and to the honor of those who came back to us from the gates of death a nobler monument than a passing shout or an arch of triumph. The world lies plastic to our hand. It must be made anew. For the first time in the history of the world the statesmen of Christian nations have been moved to look upon the world's needs, and have the opportunity to establish in it a new order patterned after the teachings of the Prince of Peace. The peace conference at Versailles, led by our great President, and influenced by the splendid ideals to which he consecrated all his masterful powers at tremendous cost, brought forth a treaty that embodies in a league of nations the nearest approach to the ethics of the New Testament ever promulgated in the history of nations. It is the first attempt to apply to the world in political relations God's thought for the world. It sets forth the divine plan in organized political life that the strong protect the weak, and looks toward the expression of the world's conscience in the dealing of one nation with another. It is an application to practical international politics of the Sermon on the Mount and of the supreme principle enunciated by Jesus, 'Whosoever loveth his life shall lose it.'

"We covet for our Nation the supreme distinction of transmuting into international custom the high ideals of our gospel. While we would not be impatient with any reasonable delay on the part of those representatives of our Government who are charged with the difficult task of consideration of the treaty and who would and should give the closest scrutiny to this momentous document establishing a great spiritual venture, we are disappointed that agreement has not been reached and that the future of this great document now appears in hazard.

"Believing that delay in reaching such agreement as will permit the adoption of the treaty with the league of nations without resubmission to the allied powers in peace conference will not only prevent speedy reconstruction in our own country but will breed incalculable disaster at home and throughout the world; and

"Believing that failure on the part of the Senate of the United States to reach an agreement will seriously embarrass this country in international relations, in that this Nation would thus be left without any pact or agreement to cover business relations with Germany; would be called upon to deliver all interned German ships and alien property into the hand of the Allies without power to call for return of property of this country in German hands; that all claims for damages would be practically nullified without recourse to war again with Germany; that the United States would thereby be robbed of the right of participation or representation on the reparations commission; would have to submit any separate treaty negotiated to the other allied powers for ratifications, thus losing prestige and finally holding up the final readjustment of the war-torn world conditions, and possibly plunging the world again into war before the desired ends for which we fought are accomplished: Therefore

"Resolved (1), That we urge the Senate of the United States, as that great body reassembles December 1, to immediate con-

sideration of the great document of the treaty and the league of nations in such spirit of statesmanship as shall make possible a harmonious conclusion in the adoption of the treaty with such reservations as will not in any way weaken the high purposes of that document or make necessary its withdrawal or its resubmission.

"Resolved (2), That should no conclusion have been reached prior to that time, Sunday, December 14, be set apart throughout this conference as a day of special prayer for divine guidance in leading our Senate to a conclusion in harmony with God's will and purpose, and that should no agreement be reached prior to that time effort be made to have all churches throughout our country on Christmas Day, December 25, and on the Sunday of Christmas week, December 28, make special prayer for divine guidance that such conclusion may be speedily reached as will accomplish the will of God in this crisis of the nations.

"Resolved (3), That we assure President Wilson of our great appreciation of the service he has rendered at such cost to himself in behalf of the world in striving to bring the ideals and principles of the word of God into international relations, and that we earnestly pray God's blessing upon him in speedy restoration to perfect health, that he may lead on to fullest realization of the holy purposes for which our country gave her best."

Mr. CAPPER presented a memorial of sundry citizens of Isabella, Okla., remonstrating against universal military training, which was referred to the Committee on Military Affairs.

He also presented a petition of Victor Post, No. 293, Grand Army of the Republic, Department of Kansas, of Fort Dodge, Kans., praying for the enactment of legislation granting increased pensions to veterans of the Civil War, which was referred to the Committee on Pensions.

He also presented a memorial of Lodge No. 569, Benevolent and Protective Order of Elks, of Iola, Kans., remonstrating against the spread of disloyalty in this country and pledging allegiance to the cause of law and order, which was referred to the Committee on Education and Labor.

Mr. KIRBY. I ask to have inserted in the Record resolutions adopted by Lodge No. 380, Benevolent and Protective Order of Elks, of Hot Springs, Ark., favoring the deportation of undesirable aliens.

There being no objection, the resolutions were referred to the Committee on Immigration and ordered to be printed in the Record, as follows:

"BENEVOLENT AND PROTECTIVE ORDER OF ELKS, No. 380,  
Hot Springs National Park, Ark.

"Be it resolved by Hot Springs Lodge, No. 380, of the Benevolent and Protective Order of Elks, That we view with deep concern the spread of disloyalty and of seditious sentiment promulgated by syndicalists, I. W. W.'s, and the Bolsheviks.

"We believe that the time has arrived when Americans should assert themselves and drive from these shores all disloyal aliens and adequately punish those who betray their country by disloyal acts. We hereby call upon the United States Congress to immediately enact a law providing for the summary deportation of every alien in this country who is a member of the I. W. W. or any other organization of like teachings and tendencies;

"That the law should further provide for the immediate cancellation of the citizenship papers of any naturalized citizen who shall affiliate with any such organization, and for drastic punishment of all persons who belong to or uphold the doctrines of such organizations.

"We believe that no person should be permitted to issue or to circulate any writing or pamphlet which has for its apparent object the undermining of American institutions or the inciting of rebellion.

"We further demand that Congress forthwith appropriate sufficient money to carry forward properly and promptly the deportation of undesirable aliens; be it further

"Resolved, That the entire membership of this lodge does hereby tender its services to the United States Government for any assistance which the said Government may desire.

"It is ordered that a copy of these resolutions be forwarded to the Senators and Representatives from this State in Congress, and to the Tacoma Lodge, No. 174, Benevolent and Protective Order of Elks."

Mr. WARREN presented a petition of the Business Men's Association of Cody, Wyo., praying that an increased appropriation be made for the United States reclamation fund, which was referred to the Committee on Appropriations.

He also presented a petition of the Alfalfa Commercial Club of Washakie County, Wyo., praying for the enactment of legislation for the prevention of strikes in the future, which was referred to the Committee on Education and Labor.



## DISTRICT WATER SUPPLY.

Mr. SHERMAN. I submit a report (No. 328) from the Committee on the District of Columbia relative to the investigation of the subject of an increase of water supply in the District of Columbia. It is on the bill (H. R. 1713) authorizing and directing the Secretary of War to appoint a commission to investigate and report upon the available sources of water supply for the District of Columbia.

The VICE PRESIDENT. The bill will be placed on the calendar.

## HIGH COST OF LIVING IN THE DISTRICT OF COLUMBIA.

Mr. SHERMAN. I also submit a report (No. 328) from the Committee on the District of Columbia on the investigation of the high cost of living in the District, which began under a resolution of July 15 last. This report is presented on behalf of the committee, and if any member of the Committee on Printing is present I wish to ask that there be printed for the use of the Senate document room 2,000 additional copies of the report. There have been considerable requests from outside for copies of the report.

Mr. SMOOT entered the Chamber.

Mr. SHERMAN. The Senator from Utah [Mr. Smoot] has just come into the Chamber, and I desire to repeat the request which I have made for the printing of 2,000 additional copies of the report made under the resolution for an investigation of the high cost of living in the District of Columbia. I repeat, there have been considerable requests for copies of the report, but I think the printing of 2,000 additional copies will answer all purposes.

Mr. SMOOT. I have no objection to that request, Mr. President.

The PRESIDING OFFICER (Mr. WALSH of Montana in the chair). Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

## BILLS INTRODUCED.

By Mr. KNOX:

A bill (S. 3506) granting an increase of pension to Albert B. Lawrence (with accompanying papers); to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 3507) to limit the size of newspapers and periodicals entitled to the privileges of the second-class mail rate; to the Committee on Post Offices and Post Roads.

By Mr. REED:

A bill (S. 3508) to purchase a site for a United States post-office building in the West Kansas Addition to the city of Kansas City, Mo.; to the Committee on Public Buildings and Grounds.

## COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS.

Mr. FERNALD submitted the following resolution (S. Res. 253), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

*Resolved*, That the resolution of the Senate, No. 97, agreed to July 1, 1919, authorizing the Committee on Public Buildings and Grounds of the Senate, or any subcommittee thereof, to send for persons, books, and papers and to report such hearings as may be had in connection with any subject which may be before said committee, or any subcommittee thereof, be, and the same is hereby, amended to empower said committee to sit and act at such time and place as it may deem necessary, the expenses of travel incident to the sessions of said committee, or any subcommittee thereof, to be paid from the contingent fund of the Senate.

## RAILROAD CONTROL.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 3288) further to regulate commerce among the States and with foreign nations, and to amend an act entitled "An act to regulate commerce," approved February 4, 1887, as amended.

Mr. JONES of Washington. I send to the desk sundry amendments which I desire to offer to the pending bill and which I was preparing when the bill reached the point of passage yesterday afternoon. I ask that the amendments may be printed and lie on the table.

The PRESIDING OFFICER. The amendments will be printed and lie on the table.

Mr. LA FOLLETTE addressed the Senate. After having spoken for about two hours,

Mr. THOMAS. Mr. President—

The PRESIDING OFFICER (Mr. SMITH of South Carolina in the chair). Does the Senator from Wisconsin yield to the Senator from Colorado?

Mr. LA FOLLETTE. I yield.

Mr. THOMAS. The Senator has been speaking now for nearly two hours, and I think it might be some relief to him to suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Harrison	McCormick	Sherman
Brandeggee	Hitchcock	McKellar	Smith, S. C.
Capper	Johnson, Calif.	McNary	Spencer
Chamberlain	Johnson, S. Dak.	Moses	Stanley
Cummins	Jones, Wash.	New	Sterling
Curtis	Kellogg	Norris	Sutherland
Dial	Keyes	Nugent	Thomas
Elkins	King	Overman	Trammell
Frelinghuysen	Knox	Owen	Wadsworth
Gay	La Follette	Phipps	Walsh, Mont.
Hale	Lenroot	Pomerene	Wolcott
Harding	Lodge	Sheppard	

Mr. WALSH of Montana. I desire to announce that the Senator from Nevada [Mr. PITTMAN] is absent on account of the serious illness of a near relative.

The PRESIDING OFFICER. Forty-seven Senators have answered to their names. There is not a quorum present. The Secretary will call the names of absentees.

The Secretary called the names of the absent Senators, and Mr. KIRBY, Mr. SMOOT, and Mr. WATSON answered to their names when called.

Mr. BANKHEAD, Mr. BORAH, Mr. FALL, Mr. FERNALD, and Mr. PAGE entered the Chamber and answered to their names.

Mr. BANKHEAD. I wish to announce that my colleague [Mr. UNDERWOOD] is detained from the Senate on committee work.

The PRESIDING OFFICER. Fifty-five Senators have answered to their names. A quorum is present.

Mr. LA FOLLETTE resumed his speech. After having spoken altogether for nearly four hours,

Mr. THOMAS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CAPPER in the chair). The absence of a quorum is suggested. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ball	Hale	Lodge	Smith, S. C.
Bankhead	Harding	McKellar	Smoot
Beckham	Harrison	McNary	Sterling
Brandeggee	Hitchcock	Moses	Thomas
Capper	Johnson, Calif.	Myers	Trammell
Chamberlain	Johnson, S. Dak.	New	Underwood
Cummins	Jones, Wash.	Norris	Wadsworth
Dial	Kellogg	Overman	Walsh, Mont.
Dillingham	Kenyon	Owen	Warren
Edge	Keyes	Page	Williams
Elkins	King	Phipps	Wolcott
Fernald	Kirby	Pomerene	
Frelinghuysen	La Follette	Reed	
Gay	Lenroot	Sheppard	

The PRESIDING OFFICER. Fifty-three Senators have answered to their names. A quorum is present.

Mr. DIAL. Mr. President, we have been waiting a good long while for this bill to come before the Senate to be acted upon. I have such a high regard for the committee that I dislike to differ with them in their conclusions. I have, of course, no criticism to make of their motives, but I differ with them in their conclusions and in the foundation of this bill.

We have tried Government operation, and I think it is generally conceded that it is a failure, not so much, however, as it appears upon the record. During the progress of the war the rates paid to the railroads for carrying soldiers were greatly reduced, and that went into the deficit. Not only that, but when the Government took charge of the roads they were in a very run-down condition, a very congested condition. It was some six months before an increase of rates was granted to the railroads. Not only that, but during the war we operated the roads not for profit but to win the war, and that was a sufficient consideration. It matters not whether we lost \$550,000,000 in the two years or did not lose it; we won the war, and that is what we were trying to do. It was not a question of running the roads economically; it was a question of getting the freight and the soldiers where we wanted them delivered. I believe in giving Government operation a fair trial, and giving it due credit for what it was entitled to; but outside of all that I think the consensus of opinion is against Government ownership or Government operation.

Now, Mr. President, we come down to the present bill. It occurs to me that this bill starts off out of tune. It is on the wrong basis. Of course, it is very much desired that we should get a bill that will be equitable to the owners of the railroads and will be just to the employees, and we would like to get the unsettled conditions that have prevailed in this country back to normal at as early a date as possible. I had hoped that this

bill would do it, but I feel that it is the most burdensome proposition that ever was presented to a United States Congress.

It starts off, Mr. President, on an ideal basis. It is a dream, as it were; it is an illusion to go ahead and undertake to say, as the bill does say practically, that every dollar invested in railroad property shall receive enough return to pay 5½ per cent interest on the actual value of the property.

Nothing is said in the bill as to how you shall get at the actual value of the property. We all know, or at least we were told, that heretofore the railroads were greatly burdened with watered stock, and all that kind of thing; but I need not go into all that now. We will just say to them: "Well, go and sin no more." If it is possible leave that out, but we must meet the conditions as they exist to-day.

This bill, as I understand, undertakes to let the roads make a return upon the actual value of the property; and it is one of the hardest things in the world to find out what the actual value of that property is. I believe that this Government has been trying to find that out for the last several years. It is not nearly through with the task now. I did not know at the time we passed the bill for valuing the railroad property of the country that it would do much good, but we have gone along with it. Before they got nearly through with the task, of course, the value of the property changes. It would cost now perhaps 50 per cent more to build a railroad than it would three or four years ago, and then the figures may vary considerably between now and the time they complete that estimate.

Not only that, Mr. President, but I can hardly see how it would be a practicable proposition for the Interstate Commerce Committee to fix the value of the property in order that this stipulated return may be made. They are very competent to deal with the question, but it seems to me that it would be impracticable for them to get at that.

Now, to say that it is desirable that every dollar's worth of property in the United States should receive a return equal to 5½ per cent of its actual value would be ideal. I would be very glad for every man in the United States to get a 5½ per cent return upon his money, or any other amount that would be adequate and just; but for the Senate to come here and say, "We now stamp a certificate of value upon every dollar invested in railroad property; we say that every dollar of that property is worth 100 cents," is entirely too advanced a proposition. We do not take into consideration whether or not it was necessary to build some of these railroads, we do not take into consideration whether it was necessary to maintain some of them, but we just go down and at one vote say that every dollar invested in railroad property in the United States is worth 100 cents, and by this bill we practically guarantee that it is worth 100 cents. We underwrite, as it were, the securities of the railroads of this country.

I have no ill will, Mr. President, against the railroads. In fact, I have no unkind feelings toward any investment. I feel rather favorable to railroads. We need them. But I must say that a great many errors have been committed in the name of interstate commerce in this country. We should not now, in this time of inflated values and in this period of hysteria, lose our judgment so much as to say that every road that has been built heretofore has been a good investment and that this Government should practically take it over.

I do not mean that the bill provides that the Government has to assume the debts of the roads; I do not mean that; but the bill does say that the Interstate Commerce Commission shall levy a freight rate sufficient to let the roads make a return upon their investment.

When we once take that step we practically guarantee, as far as we can by a moral obligation, that hereafter a freight rate will continue to be levied so as to let every dollar of investment and of value get a return for the balance of time.

Now, we let those railroads float their securities, and we encourage women and children and people who can not work, but who have means, to invest in railroad securities, and by this measure we will be in honor bound hereafter to keep up the freight rate to a sufficient amount to let them pay the 5½ per cent interest on that money. Every five years, I believe, they can revise it; but at the present time and for all future time we are committed to that policy.

We do not treat any other property that way in this country. When the war came on we told automobile factories to go and make trucks and munitions of war; we changed them over. We told cotton mills to change. I know of my own knowledge that the Government went to the cotton mills and said, "Make certain kinds of cloth and we will pay you so much for it," less than the market price. Yet the cotton mills did not complain. We went to the farmers and said, "Here, we want you to raise

wheat instead of cotton, or something else. We want you to raise hogs, whether it is profitable or not." And no good American citizen complained.

The railroads did not complain, as I say; but we are putting them up here now in a higher class. We are making them a class unto themselves. We are giving them special privileges over any other class of property in this country.

Furthermore, Mr. President, this would be done irrespective of whether or not that railroad ought to have been built, whether the railroad has been properly managed, whether it is necessary to the commerce of this country.

Then, Mr. President, I believe the bill is wrong in this, that it guarantees to the owner of that property a certain return upon the value of the property, irrespective of the use of the property. It does not say that you will give a return upon what is handled, the number of passengers it carries, or the freight that it handles; but it says, "We will pay you a certain per cent upon your property." It is like hiring a dray and saying to the drayman, "We will pay you so much on the value of your truck for a day, whether you haul 1 load or 10 loads." It is contrary to business principles, Mr. President. So I say it is on a wrong basis. That is one of the main objections I see.

It does say that after they have earned a certain amount a certain part shall be put into a sinking fund or some other fund and a certain part shall be turned over in another way to help out weaker roads.

That, Mr. President, is going into paternalism. It is paternalism run mad. Not only that, but, to my mind, it is unconstitutional to take away from the railroads their well-earned receipts, to go to well-built and economically managed roads and say, "Here, you shall get so much upon your investment, and no more." I can not see it. I am somewhat of a lawyer, and although I do not profess to be a great constitutional lawyer, that does not sound constitutional to my mind.

It is certainly not for the best interests of this country that we destroy the initiative, the energy of people, their determination to make their property succeed and to get the greatest return upon it. When you say, "You shall get so much and no more; the balance will be turned over to a weaker road to help bring that up," it reverses all the teachings we have listened to for these 70 years of railroad operation. It destroys the inducement to succeed and try to excel that brought this country up to where we are now. We have developed the marvelous resources of the country by individual effort, and I would regret to see anything done that would put a stop to that effort.

Here we are dealing with the biggest proposition in the United States—the railroads. This is a most comprehensive bill, a bill dealing with the most comprehensive question that has ever been brought before the country, and now if we go and say to the railroads, "You shall not make any more than a certain amount," we will encourage extravagance in the management and we will destroy the inducement to build new roads and to develop other sections of our country. We have plenty of territory in this country that is not scratched by the railroads yet, and I do not see how, if this bill is passed, there will ever be another mile of railroad built. In fact, we have built very few miles of railroad since 1912.

That, to my mind, Mr. President, is a fatal defect in the bill. If we destroy an investment, as I say, the desire to succeed, the effort to give accommodation to the traveler and the shipper, to encourage prompt delivery, and things of that sort, then we have destroyed the great value of the railroads of this country. We shall have made drones out of the people who manage the railroads if we establish this principle here.

Not only that, Mr. President, but the American people are imitative. We imitate each other in dress, we imitate each other in architecture, and in other things; and when we stop railroad building here, and the inducement to build railroads, we are going to discourage the desire to build mills, to develop mining, and to carry on our wonderful development of this magnificent country of ours. It would be a sad day for the ingenuity, the intelligence, and energy of the American people, to my mind.

Now, of all times in our history, Mr. President, we ought to be working longer and we ought to be working harder and we ought to be saving more so as to be able to develop our trade and give employment to our people. When we establish this principle in regard to the railroads, I am afraid that it will be imitated by people who operate mills and are engaged in other enterprises. Therefore it would be a death knell to progress, as I see it.

Mr. President, I want every man in this country to have a fair opportunity to make his own fortune under the protection of the law. It is not the place of the Government to go into business. If a business is a legitimate one, it is the



province of the citizen to engage in it and not the business of the Government to compete with him. But this bill here is worse than governmental ownership. The Government guarantees the business and gets none of the profits.

Mr. President, this is too long a bill for discussion now in all its details. But the more I read it and think about it the less I am pleased with it. We have innumerable commissions provided for here. We take away from the directors their authority over the property and vest that authority in the board of transportation. The members of that board are to look after the details of the roads; they are to look after issuing the stock; they are to look after the helping of the weaker roads, and all that kind of detail, functions that ought to be exercised by the directors, and I am opposed to any proposition that would take the management of the property out of the hands of the people to whom it belongs and put it in the hands of somebody else.

The bill goes on and provides that there shall be two employees selected for the board of directors, men who have no financial interest in the property. That, Mr. President, is illegal in many States of the Union. In South Carolina you have to own stock in a corporation before you can become a director in it. Not only that, but to be a director in a national bank you have to own 10 shares of stock. You have to be a stockholder in it. The idea of taking away the control of property from the people to whom it belongs and turning it over to somebody else is revolting to my mind. That is not the way to encourage people to invest their money.

If the people in this country who had money were looking out for an investment, do you suppose that they would go and build a railroad or build a cotton mill or purchase a mine if they knew that they were to be told by the employees how many hours they would work, what output they would make, or what they should get for it? No. The capitalist would buy Government bonds. That is what I would do, instead of putting it in an enterprise where the management would be taken away from me and put into the hands of somebody else, and I think any other man who had any sense would do the same thing.

Mr. President, not only that, but the bill authorizes the formation of a wage commission, composed of four employees and four other men designated by the railroad company. They may go into a back room and fix higher wages or impose some other condition. The property has no representative there; it has nobody to speak for it. That committee goes then to the transportation board, a board the members of which are not directors. They are Government employees, and we have too many of those now.

Somebody would be appointed on that transportation board, some of these economic fellows whom you hear about, some fellow who talks about figures and who never earned a dollar and a half in the sunshine in his life. Yet, some long-haired, impracticable, visionary, ill-advised, good-meaning fanatic, with whom we have this country overridden to-day, will go and say that they should have higher pay, and bring up this brotherly love we are hearing of in every movement, and all that kind of slush, in the hysteria we are in. The owners of the road would have no say in that, the Interstate Commerce Commission would not have a veto upon it; but the employee and the Government's impracticable, visionary fellow would fix it up, and the Interstate Commerce Commission, under this law, would be compelled to levy a sufficient freight rate to pay the increased charges.

It is time, Mr. President, that the working people of this country, the people who do something, who have something, the people who pay taxes, were being heard.

I have no particular ill will against any class, but I am tired of hearing all the time of shorter hours, less work, and more pay. If we would follow the advice given by my friend the Senator from Montana [Mr. MYERS] yesterday in his admirable speech, this country would soon become normal and we would get back upon our feet; we would have our products for export, to fill our ships with; but as long as we are trying to work less with more pay, a kind of a tapeworm feeling, to get a dollar without equivalent labor, we will not be of any account. We will raise people in this country who are dependent, and not independent people.

Mr. President, the bill provides for yet another kind of a commission. There are so many that I can not keep up with them. I will not try to go into the details; it is too burdensome, and would take too much of the time of the Senate. But you can not turn around in Washington without running into a commission. I start out any morning and pretty nearly fall over a fellow talking about this or that commission. I want people to go home and go to work and be content with what they are getting. I want them to be in love with their work, and if you do not love your job, for God's sake resign it. You can quit and let somebody else have the position.

But, Mr. President, we are asked here to give the stamp of approval of the United States to every dollar invested or

alleged to be represented by values in railroad securities in the United States. Look at it, Mr. President. I ask to have inserted in the Record the quotations of railroad stocks in the paper to-day, to show you how low they are quoted. The railroads must be overcapitalized or the stock must be selling at a very low price. I quote some closing quotations of yesterday:

Stocks: Atchison, 85½; Atchison, Topeka & Santa Fe, preferred, 78; Atlantic Coast Line, 92½; Chicago & Eastern Illinois, 5; Chesapeake & Ohio, 56½; Cleveland, Cincinnati, Chicago & St. Louis, preferred, 67; Chicago Great Western, 8½; Chicago, Milwaukee & St. Paul, 37½; same, preferred, 55½; Chicago & North Western, 89½; Chicago, Rock Island & Pacific, 25½; same, 6 per cent preferred, 62½; Erie, 14; same, first preferred, 21; second preferred, 15½; Great Northern, 80½; Lake Erie & Western, preferred, 16½; Lehigh Valley, 42½; Minneapolis & St. Louis, 14½; Missouri, Kansas & Texas, 10; same, preferred, 14½; Missouri Pacific, 25½; same, preferred, 41; New York Central, 70; New York, New Haven & Hartford, 29½; New York, Ontario & Western, 17; Norfolk & Western, 99½; Norfolk Southern, 10; Northern Pacific, 81½; Pennsylvania, 41½; Pittsburgh & West Virginia, 78; Reading, 77½; Southern Railway, 22½; Texas & Pacific, 43½; Wabash, 8½.

Bonds: Atchison general fours, 77; Atlantic Coast Line first fours, 76½; Baltimore & Ohio convertible four-and-a-halves, 56½; Central of Georgia consolidated fives, 84½; Central Pacific firsts, 75½; Chesapeake & Ohio convertible fives, 80; Chicago, Burlington & Quincy junction fours, 94½; Chicago, Milwaukee & St. Paul convertible four-and-a-halves, 66½; Chicago, Rock Island & Pacific Railway refunding fours, 66; Chicago & North Western general three-and-a-halves, 66½; Colorado Southern refunding four-and-a-halves, 72½; Denver & Rio Grande refunding fives, 49½; Erie general fours, 43½; Great Northern first four-and-a-quarters, 83; Illinois Central refunding fours, 75½; Kansas City Southern refunding fives, 72½; Louisville & Nashville un. fours, 80½; Missouri, Kansas & Texas first fours, 59½; Missouri Pacific general fours, 56; Montana Power fives, 86; New York Central debenture sixes, 90½; Norfolk & Western convertible sixes, 104½; Northern Pacific fours, 77½; Northern Pacific threes, 54; Oregon Short Line refunding fours, 79; Pennsylvania consolidated four-and-a-halves, 91½; Pennsylvania general fives, 90½; Reading general fours, 79½; St. Louis & San Francisco Railroad adjustment sixes, 57; Seaboard Air Line adjustment fives, 38½; Southern Pacific convertible fives, 107; Southern Railway fives, 85½; Southern Railway general fours, 60½; Texas & Pacific firsts, 84½; Union Pacific fours, 84½; Wabash firsts, 89½.

Not only that, Mr. President, but here and now, in this time of greatest inflated values in our history, after this war, when we all admit that everything is about 50 per cent higher than it has been heretofore or will be after a little while, we are asked to fix this rate.

Mr. President, I do not complain of the rate of 5½ per cent interest on money. If I could have gotten that rate on the amount I borrowed, I would be much better off to-day. I have been a pretty constant borrower for the last 30 years. But I do say, and I want to read to the Senate just a moment, that if you take the return from the railroads according to the chairman's speech you will develop this situation: He says they want to guarantee the freight—I do not mean guarantee it except by income; let them get enough freight to get 5½ per cent interest on the money. Three years before the war—

Mr. McKELLAR. Mr. President—

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Tennessee?

Mr. DIAL. Certainly.

Mr. McKELLAR. Does the Senator believe that the Interstate Commerce Commission will be compelled to raise the present very high rate in order to secure 5½ per cent?

Mr. DIAL. Absolutely. That is my understanding of the bill, that it gives them the power to do it.

Mr. McKELLAR. It is a mandatory provision that they can enforce in court?

Mr. DIAL. I think so. I think we have taken away from them all discretion.

Mr. McKELLAR. If the Interstate Commerce Commission fails or refuses to put in a rate sufficient to bring 5½ per cent, then they can file a petition in any United States court and mandamus the commission into producing the rate?

Mr. DIAL. I so understand the bill. According to the speech of the chairman of the committee, for three years previous to the war the No. 1 railroads of the United States made 5.2 per cent upon the value of their property. It is right interesting, though I never did like figures much, to look at some of these roads. Take the Southern Pacific, for instance; that earned

4.99 per cent. The Chicago Great Western earned 1.7 per cent, and various other roads earned various rates. I ask permission to insert this in my remarks, quoted from the report of the chairman of the committee on page 11, showing the incomes of the different roads in class 1 for three years previous to the war. There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

In the test period for ascertaining compensation under the act of March 21, 1918, the average net annual operating income of the class 1 railways was 5.2 per cent upon the aggregate property investment account. There are, however, wide differences when the individual carriers are considered. Under this average the New York Central System earned 6.09; the Pennsylvania Co., 6.26; the Pennsylvania Railroad, 5.36; the Delaware & Lackawanna, 7.54; the Erie, 3.56; the Baltimore & Ohio, 4.67; the Chicago, Burlington & Quincy, 7.02; the Chicago & North Western, 6.13; the Missouri Pacific, 4.43; the Union Pacific, 6.72; the Southern Pacific, 4.99; the Northern Pacific, 6.27; the Great Northern, 6.70; Atchison, Topeka & Santa Fe, 6.16; Chicago, Milwaukee & St. Paul, 4.71; Chicago, Rock Island & Pacific, 4.72; Chicago Great Western, 1.77; Chicago & Alton, 2.64; Western Pacific, 2.28; Colorado Southern, 3.04; Missouri, Kansas & Texas, 2.81; Texas Pacific, 3.76; Wabash, 2.91; Western Maryland, 2.58; New York, New Haven & Hartford, 5.96; Boston & Maine, 4.80; Cincinnati, Hamilton & Dayton, 1.95; Atlantic Coast Line, 5.76; Seaboard Air Line, 3.68; Southern Railway, 4.12; Louisville & Nashville, 6.32; Illinois Central, 5.48.

This statement shows that some are away down as low as 1.99 per cent, and yet we are asked to fix it at one move at 5½ per cent. I am not complaining of money at 5½ per cent myself.

Another part of this proposition is this: They say that is a class 1 railroad. I presume that is one of the most prosperous roads; I do not know. But the chairman of the committee does say further on in his report that "railroads carrying 30 per cent of the freight of this country before the war were not self-sustaining."

That is the remarkable part of this bill to me. We come to admit that practically one-third—I do not know whether as to mileage, but it does not make any difference whether it is mileage or quantity—of the railroads of the country before the war were bankrupt, and yet here now we are asked at one vote to make these roads solvent and make their value 100 per cent on the dollar, and guarantee a 5½ per cent return on that for the balance of all time.

Mr. KING. Will the Senator yield?

Mr. DIAL. Certainly.

Mr. KING. I would like the attention of the chairman of the committee or some member of the committee, with the permission of the Senator from South Carolina.

Mr. DIAL. I yield for that purpose.

Mr. KING. I do not understand that the bill guarantees 5½ per cent upon all roads that are denominated class 1. It takes the aggregate value of the roads as it shall be determined by the Interstate Commerce Commission within the respective districts and guarantees 5½ per cent interest upon the aggregate stock; but some of the roads within the district will in the future, as in the past, do the greater amount of work; they will carry the larger part of the commodities within the district, so that other roads perhaps will only get 2 or 3 per cent upon the value of their property. The larger roads will earn very much more, but the excess goes into the fund which has been described. Do I interpret the bill correctly?

Mr. CUMMINS. The Senator from Utah has stated the matter correctly. There is no guaranty in the bill at all. There is a declaration of public policy to guide the Interstate Commerce Commission, which is that the net annual operating income on all the railroad properties within a given district shall be as nearly as may be 5½ per cent upon the value of all the railroad property in that district. But when rates are so based one road may earn 8 per cent upon the value of its property just as heretofore, and another road may earn 4 per cent upon the value of its property as heretofore.

What the bill does which has never been done before is to take from the railroads which earn more than we regard as a fair return upon the value of their property, the excess, and put it in the Treasury of the United States for the purpose of supplying a fund with which the weaker, the poorer, railroads may be furnished with a credit. It is not given to the weaker railroads, but it enables them to borrow money in order to enlarge or better their facilities under circumstances that would not enable them to borrow money in the general market. That is the whole scope of the bill.

Mr. McKELLAR. Mr. President, will the Senator from South Carolina yield further?

Mr. DIAL. Certainly.

Mr. McKELLAR. I desire to call the attention of the chairman of the committee to the latter part of page 13 of the bill. As I understood the Senator, he said that the provision about 5½ per cent was a declaration of a policy and was advisory to the commission. If I understand the meaning of the English

language correctly, that can not possibly be true under the terms of the bill. I read—

Mr. CUMMINS. I did not say it was advisory to the commission. I said it was a declaration of public policy.

Mr. McKELLAR. And not a guaranty?

Mr. CUMMINS. It is not a guaranty. It can not be called a guaranty.

Mr. DIAL. It is a direction.

Mr. CUMMINS. It is a direction to the commission.

Mr. McKELLAR. I read the words of the bill, which I believe not only are a direction to the commission but are in such direct and positive language that it would require any court to which the matter might be appealed to issue a mandatory injunction to give such a rate as would produce the 5½ per cent. I read the language of the bill:

The commission shall—

"Shall"—there is no doubt about it—

The commission shall initiate, modify, or adjust rates, fares, charges, and classifications, as nearly as may be, so that the railway carriers as a whole allocated to each district and subject to this act shall earn an aggregate annual net railway operating income equal, as nearly as may be, to 5½ per cent upon the aggregate value, as determined in accordance with the provisions hereof, of the railway property of such carriers in the district held for and used in the service of transportation.

As I read that language I am compelled to the conclusion that it is an absolute guaranty enforceable in any court having competent jurisdiction.

Mr. CUMMINS. All I can say is that the lawyers upon the Interstate Commerce Committee do not agree with the Senator from Tennessee. It may be that the Senator from Tennessee is right about it, but that is not my opinion nor is it the opinion, so far as I know, of any of the lawyers upon the committee. However, that makes no difference. It is the intent of the bill that there shall be raised a revenue that will be equal to 5½ per cent upon the value of the railway property in a given district, and the merit of the bill can be tested by that assumption. I am sure that no member of the committee desires to escape from the responsibility of approving that proposition. If the Members of the Senate believe that 5½ per cent upon the value of the property which renders the service is too great a compensation for the use of the property, that is a matter for discussion and for settlement in the Senate, but there is no use to complicate it by the suggestion that resort can be had to the courts. I do not think there could be any such resort; but it makes no difference; we intend to try to raise 5½ per cent upon the value of the property which is devoted to the public service. If that is too much, it is for the Senate to express its judgment upon that point.

Mr. KING. The Senator's statement would seem to indicate that it is in perpetuity. As I read the bill, every five years thereafter the interest could be revised.

Mr. CUMMINS. Of course, that is true. There is no perpetuity in any bill. There is no talk about imposing conditions for all time. That is fanciful, to say the least. We have expressly provided that at the end of five years the Interstate Commerce Commission shall review the whole situation, and if it believes a 5½ per cent basis is too high it shall reduce it, and if it believes it is too low it shall raise it. There is no permanent condition being provided for here.

Mr. POMERENE. Mr. President—

Mr. McKELLAR. Will the Senator indulge me for just a moment?

Mr. DIAL. I will yield first to the Senator from Ohio.

Mr. POMERENE. I wish to suggest to the Senator from South Carolina [Mr. DIAL] and the Senator from Tennessee [Mr. McKELLAR] that if they have any notion that these railroads can be financed at less than an earning of 5½ per cent on the total railway valuation in their respective rate-making districts, I am satisfied that when they investigate it they will change their minds about it.

In the provisions in the bill for repayment to the Government of the money for which we have authorized the President to accept the notes of the companies, the Government is made to charge the railroad companies 6 per cent on that loan. That is not an unreasonable amount of interest to charge, and yet at the same time we say to the railroads, "You shall not earn on your property as a whole to exceed 5½ per cent."

Mr. DIAL. I do not say that.

Mr. POMERENE. That is the force of the Senator's position, nevertheless.

Mr. DIAL. Oh, no; not at all.

Mr. McKELLAR. If the Senator will permit me—

Mr. DIAL. Certainly.

Mr. McKELLAR. I want to ask the Senator from Ohio [Mr. POMERENE] and the chairman of the committee one question. The chairman of the committee says it is not a guaranty and



that it is not a mandatory provision, but that it was the intention of the committee and the lawyers of the committee to regard it as a declaration of policy. Is the Senator from Ohio or the committee willing to have it specifically stated in the bill that it is a declaration of policy?

Mr. POMERENE. It is a rule of rate making.

Mr. McKELLAR. Let us put it in the bill, then—a rule of rate making. Let us say what it is, and do not let us say "shall initiate," because when you use the language that is in the bill it is mandatory upon the commission, and any court will enforce it. I am convinced of that, the distinguished lawyers on the committee to the contrary notwithstanding.

Mr. CUMMINS. The Senator from Tennessee [Mr. McKELLAR] upon a moment's reflection will see that it is not susceptible of judicial enforcement. It is mandatory in a proper sense of that word because we intend that the commission shall do that thing. We do not attempt to conceal or avoid that fact. But the Interstate Commerce Commission must survey the situation and must look into the future; it must undertake to determine how much business shall be moved in the future for a year or two years. It must make up its mind, as best it can, with regard to the volume of commerce that will be moved upon the railways, and, taking all those uncertain things into consideration, it is charged with the duty of making rates that will create a net operating income of 5½ per cent upon the value of the property.

The Senator from Tennessee [Mr. McKELLAR], I am sure—for he is one of the best lawyers in this body—must at once see that it would be impossible for a court to declare what rate shall be fixed by the Interstate Commerce Commission in order to bring about the result which the proposed statute contemplates. May I add a word to the Senator from South Carolina while I am on my feet?

Mr. DIAL. Certainly.

Mr. CUMMINS. I have been very much interested in his discourse, and I want him to remember one thing; that is, that we have provided in this bill for a 5½ per cent basis upon the value of the railroad property that actually renders the service in transportation. The value of the property is to be determined by the Interstate Commerce Commission. The figures the Senator suggests with reference to the percentages of return in the test period of three years before the 1st of July, 1917, are comparisons with the property investment account of the railway. A great many people believe—and I am one of them—that the value of the railway property which renders the service—mark you, there is an immense outside or extrinsic investment in property which is not related to the work of transportation—I am one of the persons who believe that the Interstate Commerce Commission will find that the value of the railroad property which renders the service is much less than the property investment account. Therefore, when comparing percentages growing out of the test period with the percentages under this bill that fact ought to be borne in mind; and I have no doubt the Senator from South Carolina will have it in mind as he proceeds with his discussion.

Mr. DIAL. I desire to ask the Senator a question. I am not trying to find fault with the bill, but I am endeavoring to get a bill which we may all support. Will the Senator tell me upon what theory we can justify that feature of the bill which proposes to levy rates on the railroads in order to provide for the nonself-sustaining roads that carry 30 per cent of the freight? In other words, how can we justify the feature in this bill that proposes to take one road out of bankruptcy at the expense of other roads?

Mr. CUMMINS. Will the Senator again state the early part of his statement? I did not catch it.

Mr. DIAL. How can we justify ourselves in stabilizing, as it were, the roads carrying 30 per cent of the freight of this country which could not support themselves before the war? Are we justified in saying that their value is so-and-so, and that rates shall be levied sufficiently high to enable them to earn an income of 5½ per cent?

Mr. CUMMINS. I do not think it is possible to render that relief to those railroads which carry 30 per cent of the traffic which we ought to render. As I said in my opening statement upon the bill, there is but one way in which we can reach a safe position, and that is through the process of consolidation. With roads varying as widely as the roads of the United States do, you can not put upon the country a body of rates which will render justice to each of the railroads, but we must do the best we can; and the railroads which are now suffering from loss of credit and from underincome will do a little better under this bill than they ever did before. That is all we can promise them or hope for them until the consolidation in some form takes place.

Mr. DIAL. The point is this: We are making them special pets; we are making them our wards. The Government did not tell the owners to build the roads, and the Government is not responsible for their condition.

Mr. CUMMINS. The Senator from South Carolina does not have the same idea probably about the object or province of government that I do. I think that government is organized for the protection of the weak—

Mr. DIAL. It is organized for the protection of everybody, I think.

Mr. CUMMINS. For the protection of the weak as against the aggressions or the power of the strong. There are some people in this country, and there are some corporations in this country, that need no protection from the Government, that are abundantly able to protect themselves; but there are other persons and other corporations that are unable to protect themselves, and we must do the best we can to see that they are maintained if they are necessary to the public welfare.

I do not think that in trying to protect the weak we ought to do any injustice to the strong; but this bill does not do injustice to the strong. It provides that the roads may retain of their earnings all that common carriers ought to retain—a reasonable and fair return upon the value of the property which renders the service.

Mr. McKELLAR. Mr. President—

Mr. DIAL. I yield to the Senator from Tennessee.

Mr. McKELLAR. Mr. President, I should like to ask the Senator from Iowa [Mr. CUMMINS] a question. Take the 30 per cent of the railroads that were not self-sustaining before the war. As I understand the provisions of the bill at the bottom of page 12 and at the top of page 13, the reasonable income of 5½ per cent is given to those railroads, together with all the remainder of them. Is it fair or just for the Government to take practically one-third of all the railroads of the country that have not been self-sustaining in the past—perhaps because of inefficient management or improper service—and put them on a 5½ per cent basis whether they earn the money or not?

Mr. CUMMINS. They are not upon a 5½ per cent basis.

Mr. McKELLAR. This bill requires the rate to be fixed so as to bring them, together with all other railroads, upon a 5½ per cent basis.

Mr. CUMMINS. No; the Senator misunderstands the bill entirely.

Mr. McKELLAR. I will read it to the Senator, and see what he thinks about it.

Mr. CUMMINS. The Senator need not read it to me; I am perfectly familiar with it.

Mr. DIAL. If the Senator from Tennessee is not correct, then a good many of us misunderstand it.

Mr. CUMMINS. I had hoped that I had explained that so that it was fully understood. The value of all the railroad property in a rate-making district is ascertained. Then the Interstate Commerce Commission sits down to the labor of adjusting rates which will return or create a net operating income for all the railroads in that district.

Mr. McKELLAR. Including the 30 per cent which are not self-sustaining.

Mr. CUMMINS. I will have to go back, in view of the Senator's suggestion.

Mr. McKELLAR. I beg the Senator's pardon.

Mr. CUMMINS. The Interstate Commerce Commission then attempts to adjust rates so that the aggregate operating income of all the railroads in that district will be 5½ per cent upon the aggregate value of all the railroad property in that district. Those rates are then established, and the railroads begin to carry freight under them. Upon those rates one railroad will not earn 3 per cent upon the value of its property, while another railroad may earn 7 per cent upon the value of its property, just as we observed during the period before the war that all the railroads of the country earned 5.2 per cent upon their property investment account. That did not mean, however, that every railroad in the country earned a net operating income of 5.2 per cent; it meant that one railroad earned 6 per cent, another 8 per cent, another 9 per cent, another 4 per cent, another 5 per cent, another 3 per cent, and some of them less than 1 per cent. That is the way it would occur measurably under this bill until there can be such a process of consolidation as will make the various systems of railroads in this country bear the proper relation to each other. I beg the pardon of the Senator from South Carolina for interrupting him in this way.

Mr. DIAL. That is all right; I am glad to have the Senator's explanation. We are merely trying to get the best possible solution of this problem. I do not think I said, at least I did not intend to say, that the Government guaranteed a return of 5½ per cent. I meant to say that under the terms of this bill, in

case it passes, that would be the result; that we would instruct the Interstate Commerce Commission to levy rates that would yield that amount and then when we had once done so we would put the stamp of the Government's approval upon this investment; that it was worth a hundred cents on the dollar, and that thereafter it would earn that per cent. That is as far as I meant to go. Therefore it implies a contract to the public of this country and every other country that may buy our railroad securities that such action will be taken, although in the future, of course, it may be changed.

Mr. KING. Mr. President, will the Senator yield to me for a moment?

Mr. DIAL. Yes, sir.

Mr. KING. I apologize for interrupting the Senator.

Mr. DIAL. I am very glad to have the Senator interrupt me.

Mr. KING. Does not the Senator think that the statement which he has just made is rather inaccurate, namely, that it puts the Government's stamp of approval upon all the issues of the railroads and is a guaranty, in effect, that those issues will all earn 5½ per cent in the future? As just explained by the Senator from Iowa, there is no guaranty or promise that these roads will earn any figure. The rates will be adjusted so that 5½ per cent will be earned upon the value of the property in the various rate districts, as determined by the Interstate Commerce Commission, but many of the corporations unquestionably will not earn 5½ per cent; they may not earn 2 per cent or even 1 per cent. I know corporations, notwithstanding the so-called guaranty, that will not earn 1 per cent or certainly not more than 2 per cent.

This bill does not propose to make up the deficit between 2 per cent and 5½ per cent. Other roads in the various rate-making districts will earn much more than 5½ per cent, as they have done in the past—

Mr. DIAL. Then, they will have to lend it to the weaker roads.

Mr. KING. But the roads that have not had much traffic in the past, that have not earned any very considerable sum in the past, will not, in my opinion, by this bill be put in a position to earn relatively very much more in the future than they have earned in the past. The only advantage is, as the Senator from Iowa has said, that in a way it stabilizes conditions; it uses the amount above 5½ per cent which is earned by some roads as a Government fund for the purpose of loaning, if it sees fit—and perhaps that may be mandatory; I do not know as to that—for transportation purposes, so that the poorer roads may be permitted to borrow money from the Government when they can not borrow it from private banks. As I understand the theory of this bill—and there are many features of it I do not like at all—the plan is to preserve the weak roads from such delinquencies as would result in their abandonment. The theory is that the railroads in the United States are essential to the welfare of the people; that it is a sort of governmental function—and I do not quite agree with the broad statement of the chairman of the committee—to furnish transportation to the people; but, assuming that the Government is interested in the transportation problem, the theory of the bill seems to be to preserve the weak roads from destruction because their preservation is necessary for the welfare of the people.

Mr. DIAL. More than that, in this brotherly-love bill that we have here, one of these numerous commissions is allowed to divert freight from one road and give it to that weaker brother over there.

Mr. President, when I lived out in the country and read the newspapers I used to hear about protection, and that was a great issue along about presidential election years, but I think this is protection run mad. We heard about protecting our infant industries in this country, and things like that. I do not wish to inject politics into this debate at all; but here, just at one time, we are going not only to protect the income of the enterprise, but we protect the whole enterprise and practically become a guarantor of the investment. We have gone into partnership, and we stand behind, as it were, the whole investment here, and in the very short space of a few hours we are about to forget our history and become protectionists at one time. This is the biggest protectionist jump I ever saw.

Furthermore, Mr. President, under the provisions of this bill, if these roads are required to take out a Federal charter, I do not know whether that deprives the States of some rights or not; but certainly, if that goes through, there should be some provision whereby those roads may be sued in State courts as national banks are now sued.

Not only that, Mr. President, but I am very much afraid that if this bill goes through with a provision for railroad districts, dividing this country up into rate-making districts or zones—groups of roads, I believe is the wording of the bill—when that

is done, then in the more populous parts of the country, where they have the richer roads, perhaps it will cost much less to carry produce to market and militate against the weaker parts of this country, where freight rates will have to be higher. That is to say, in order to make the 5½ per cent they would not have to levy nearly as much of a charge for freight where they have a thickly populated country as they would in the case of a thinly populated country; so I am somewhat skeptical about the future progress of this country under this bill.

Moreover, the bill changes the policy that we have taught here for the last 25 years. I have not sympathized with a good deal of this antitrust legislation debate. I believe in letting an enterprise, whether individual or corporate, get out and hustle for its living and do the best it can; but under the theory of Congress here we have been saying to capital, "You shall not consolidate over this country," and here, all at once, just at one breath, we are asked to do away with our independent railroad lines and at once consolidate the railroads of the whole country into a few systems.

Mr. POMERENE. Mr. President, does the Senator have in mind the fact that these consolidations can not be entered into except under a plan which has been theretofore prepared by the transportation board and the Interstate Commerce Commission, and which is subject to their supervision all the time; and does not the Senator further recognize it to be a fact that one of the things which were demonstrated during the so-called Government control of the railroads was that where there was greater consolidation in the management of the railroads there would be greater efficiency?

Mr. DIAL. Well, that is a pretty big proposition, Mr. President. I realize, as I remember the bill, that it has to be done under the supervision of somebody; but I have failed yet, in my limited experience, to find perfect men in this world. I do not find them here; I did not find them before I came here; and I do not expect to find them after I leave here; and I believe, Mr. President, that one of the troubles of this country to-day is that on account of a multiplied press sending all kinds of literature over this country we are teaching people ideas that are not practical, that are visionary, and when we get into Congress we hear speeches made every day complaining about the innumerable commissions and boards of investigation, and everything of that kind, and places where we put some fellow who knows theory and does not know practice, and we do not know what kind of legislation he will allow to be put upon the people of this country. I would rather trust men who have made something and who know what they are doing and who know more practice and less theory.

Mr. President, in regard to this 5½ per cent return, as I said before, I have no objection to 5½ per cent. In fact, it sounds like pretty small interest to me, and I am not objecting to the best roads making 5½ per cent. I do not care if they make 20 per cent if they do it under proper Government regulation and proper Government restrictions and proper freight-rate regulations. If we do our duty, and if the owner of that railroad employs less people and gives greater service and gives greater efficiency, let him make whatever he can make. It will be due the stockholders of that company.

I am not one of those who would go ahead and say because people own an enterprise that the Government should come in and take it away from them. I have a heart as big as the Atlantic Ocean for the man who goes out and puts his money into an enterprise and creates that enterprise and builds it up from the beginning. That is the kind of railroad we need in this country, and other industries as well. Let them have the actual dollars invested in the property, and put their reputation behind the property, and their energy, and their good will, and their decency, and the people will patronize it; and I am not envious of what per cent of return they make, if they are paying the Government their proper taxes like other people, and, of course, under Government regulation. I do not believe in special privileges at all, but I am teetotally opposed to the drone, and that is what this bill is coming to.

If you will allow me, Mr. President, I can think of one little illustration that describes this proposition very forcibly. It is a homely one. It is one that I heard my father tell many years ago. I was reared down in the country, and after the War between the States a few rich people down there owned rifles, and the poor white men owned single-barreled shotguns; and a farmer then was going to run for the legislature, and when he got there he was going to have a bill passed to top all the trees, so that a poor man could shoot a squirrel as well as a rich man who had a rifle. [Laughter.] That is about like this bill here now; it is going to take away from the rich road to help the poor along.



Mr. President, I have said more than I intended to say. I may have omitted some of the boards provided for in this bill; there are four or five of them; but it is a very easy matter, Mr. President and Senators, to find fault, and I am not of that class. I am glad to say that I am an optimist, and I always expect to be one. I have an abiding faith in the American people, and I feel that it would be one of the greatest imaginable calamities to do anything to chill their ardor; and I hope now that we will get back on our feet, and give ourselves time to cool off, and let everybody get his bearings, and we will get this thing straightened out in a short while, and we will be the most prosperous country in the world, as we are now, and should be, and we will be much more prosperous.

Mr. President, I would not care much myself if this Government would get out of all kinds of business. I do not believe in the Government tampering with business. We are scared to death now about getting along without sugar. It would not hurt us if we got along without it for a little while. It would not make much, if any, difference. We can do without many things. Why, we get scared to death if we can not buy clothes, and so on, and so on. I would not mind if Congress passed a law to-morrow taking the Government out of every kind of business, and out of the control of the commerce and the business of this country, and letting it go back in the hands of the people. It is true that some prices would soar, perhaps, sky-high; but it is also true that people would go to work then and start up new enterprises, and they would create more of those articles and put them on the market, and it would be only a little time until competition would regulate those things. I believe that would be about as good a thing as we could do. Of course, we do not want to freeze to death this winter, nor do we want to perish in any other way; but after a little while I think that is the best course this country could take. I believe that if you do not like a thing you ought not to buy it. You would not have to buy it.

Furthermore, Mr. President, in all seriousness—and I have said what I have said in seriousness—the way I feel about the matter is that if we go ahead right now and pass this bill we are practically making the United States guarantee billions of dollars. I do not like to say "billions," because I do not know what a billion is; but there will be a guaranty of billions of dollars entailed upon the people of this country, I feel, forever hereafter, and I do not believe it should be done.

Mr. POMERENE. Mr. President—

Mr. DIAL. I yield to the Senator from Ohio.

Mr. POMERENE. In the first place, I take issue with the Senator's statement that this is a guaranty. The distinguished chairman of this committee made it perfectly clear that this was not a guaranty; that it was simply a rule of rate making. But the Senator makes the statement that we are guaranteeing billions. If this be a guaranty of billions, how much less would the Senator make the rule for rate making, if he would reduce it below 5½ per cent?

Mr. DIAL. I will come to that a little bit later. I do not mean guaranteeing in the strict sense of sitting down and signing your name at the bottom of a document, but I mean morally. We have been hearing a good deal here—all last fall—about moral obligations in connection with the peace treaty. We all know something about moral obligations, and that is where we landed.

Mr. President, we ought to pass some kind of a railroad law. We all admit that, and I do not believe it is kind nor just to criticize a measure unless you have something better to propose. I have not written out anything, but I will give the Senate my views, just in a few words, as to what I think we ought to do.

As I said before, I feel kindly toward the railroads. I have no animosity whatever toward them. We need railroads in this country; but we must not go ahead and commit too many sins in the name of the railroads and in the name of interstate commerce. I believe that what we ought to do is this:

We took charge of the roads during the war. We had to take charge of the roads. I do not think the railroad people have any right to come in here now and complain. We were in a war. We did not want to get into that war. We did everything we could to stay out of that war, but we were forced into it; and if we had not gone in and had not taken charge of the railroads' property, and if the Germans had come in and captured us and had captured the railroads' property, then what would their property have been worth?

I think that the railroad owners of the country are no less patriotic than the rest of us. Whatever this Government wanted during the war, when they called on us as true American citizens, they got it. If they wanted my coat in order to win this war, they could have it; and I would have raised no objec-

tion, and no true, patriotic man would have raised any objection. The railroads did not do it then, and they should not now. We took their roads and we won this war, and that is a good answer to all these claims of extravagance and anything else about them. Just let us wipe it out, and pay the bills, and say no more about it.

We did go and establish a Railroad Administration. They did go and employ more people, perhaps, than should have been employed. They spent more money, perhaps, than they should have spent; and now this country is in an unsettled condition; but the railroads are not the only ones whose employees are disturbed. The employees of the rest of us who have enterprises are disturbed, too. Our boys went to the war. They shut down our production and our factories down home, as I know of my own knowledge.

What we ought to do, in justice to the roads and in justice to ourselves, is this: We ought to be honest with the roads, and with ourselves, and with the public, and with everybody. I think a short bill ought to be written here, to say to the railroads: "Here is your property, after so many days"—say, 90 days, or something like that. "Now, railroads, we will guarantee you the same return you have gotten heretofore"—the standard contract, I believe it is called—"we will guarantee you that return for six months, say, thereafter, to allow you to get your bearings, to go back home and to get back to your old basis of operation and to become normal again. Now, there is your property. Take it and run it like other people are doing."

I believe that would be equity to the railroads. I believe that is all they ask, or ought to ask. I believe that is all the burden you ought to put upon the American people. Then, Mr. President, if we decide that this anticombination law that we have had heretofore ought to be repealed, let us go ahead and repeal it. I wish we would repeal a number of the laws that we have passed, especially the Adamson law. We started out wrong there. Then, we ought to repeal any tariff regulation or any other law that interferes with the normal course of affairs and let our people get back to a normal condition, so that everybody can stand under the laws of this country on the same basis. I do not think we ought to say to the railroads, "We will guarantee you a return of so much on the money invested in your property." We have carried them along for a time. I have no objection to getting money at 6 per cent and loaning it to them at 5 per cent, so far as that is concerned. Let us throw them out a plank, if they need it, and help them along, but I do not know of any reason why we should guarantee them a sufficient rate to make 5½ per cent upon every dollar of their investment.

Let the Interstate Commerce Commission levy a fair rate, as it has been doing heretofore, and, if it is necessary to increase it, increase it. I do not believe in giving gratuities in any enterprise, in individual matters or other enterprises, but I believe in efficiency and economy, Mr. President.

Now, Mr. President, that would be, I think, justice to the roads. I do not care what you make it. Be more liberal with them, but do not put this Government into partnership, as you do in this bill, with the railroads of this country. The people are the silent partners; they pay the fiddler, Mr. President, if this bill passes. You take the road away from those to whom it belongs and put it into the hands of the Government.

Then, further, Mr. President, we have seen all these recent strikes in this country, and we think perhaps it is necessary to pass more laws. If necessary, then let us pass an antistrike law with reasonable restrictions in it. I do not believe in making any man work if he does not want to work, if he is able to make a living without working. On the other hand, I do not believe in the employees tying up the railroads or the shipping interests of this country, tying up the commerce of the country, and making the people freeze to death, and perhaps starve to death, certainly suffer great financial loss and injury. I believe in saying to a laboring man, "When you become an employee of a quasi-public corporation, you should enlist for a certain time, and then if you have any difficulty there should be some way to force an arbitration between you and the employer." Never take it away from the courts of this country, where our rights and liberties belong. "Furthermore, if you want to quit, quit, but you should resign and give a reasonable notice of intention to quit, so that the railroad can employ some one to take your place." I believe that we ought to advance that much, Mr. President.

I am a better friend of labor than a great many of these so-called friends of labor. I believe in creating enterprises and giving men employment to improve their conditions as to housing, education, conditions of living, and everything of that sort. I have practiced that for many years at home. I have a large

number of friends of that class who are friends, indeed, Mr. President. Then you will have nobody working for you who does not want to work for you. I have employed thousands of men in my life, and I can count on the fingers of one hand to-day those who do not want to come back to me. Treat them as you would like to be treated. Understand their necessities and their requirements. Pay them what your business will justify.

I would not want men to work for me, and the railroads would not want men to work for them, unless they want to. Therefore there ought to be good feeling, good fellowship, between the railroads and the employees and other employers and employees in this country. But when you say we believe in six hours a day and five days a week that is contrary to Divine Writ. You can not make a living that way; and when you go further and say that you do not want people in the penitentiary to work, I say that I believe everyone who is in prison ought to be made to support himself if it is possible to do so.

There is a good deal of nonsense and tommyrot about minors working. I wish the women and children did not have to work. But they tell me that a boy 13 or 14 years old, a great, big, strapping fellow, running around studying devilment, ought not to work. They ought to be made to work and to earn a living, and if you do not take them when they are young and make them earn their living they will not be worth hanging when they are grown, in all probability.

We listen too much to this effeminate business around here and all over the country. It is time we were wiping that out. Encourage people to work. I do not care to say anything about my experience. My father was a man of comfortable means, but he had me plow from sunup until sundown many a day, and that is about the best education I ever got, and I am proud of it. It served me in after life, and enabled me to know whether the men I employed were working or playing.

Then, Mr. President, we ought to say to the people, "You shall not strike and tie up the enterprises of this country." Strikes are becoming more noticeable all over this country. Down South we have not cared much about previous strikes of the longshoremen in New York, but this fall it tied up the cotton from going to Europe, and kept your wheat from going abroad, and a man in Ohio or South Carolina is as much interested in a strike in New York as he would be in a strike in his own State.

Not only that, but I deplore the tendency on the part of the States of recent years to look to Washington for everything. The governors of the States before long will be no more than chiefs of police of the States if the States continue to give up their rights. Congress is too anxious to assume rights that they ought not to take charge of, and the States are too ready to evade questions and shirk responsibilities that they ought to assume.

The legislatures in most of the States meet in January, I believe—certainly a large portion of them—and they ought to look after industrial legislation in this country, look after these people who rise up to despoil this Government, this red crowd, the I. W. W. crowd, and all of them, I do not care what they are. They ought to be put down there, and the States can get them quicker than we can get them here in Washington. They ought to put them on the roads and make them crack rock. This Government ought to send its agitators back from whence they came.

Those are about my views on this bill, Mr. President. I think the Government ought to assist the railroads for a reasonable time. It is true they lost money. The roads were run down, the engines were broken, the cars gone to pieces, the tracks all lopsided, and things of that sort; but here in the last few months they have been making money. I believe they made something like twelve million or fourteen million dollars in the last month. They are beginning to make money. So I see no need to hurry to turn them back. Ask the President to give us a little more time and let us pass a sane law, a comprehensive law, and one that would be just to everyone.

Mr. CUMMINS. Mr. President, as I announced when we began consideration of the bill, it is the purpose of the committee, when the consideration of the bill draws near an end, to move to substitute this bill for the bill that has already passed the House. Accordingly I report from the Committee on Interstate Commerce the bill (H. R. 10453) to provide for the termination of Federal control of railroads and systems of transportation; to provide for the settlement of disputes between carriers and their employees; to further amend an act entitled "An act to regulate commerce," approved February 4, 1887, as amended, and for other purposes, with the recommendation that at the time I have indicated all after the enacting clause of the House

bill be stricken out and Senate bill 3288 be substituted in its stead. I make the report for the purpose of permitting the House bill to go on the calendar.

The PRESIDING OFFICER. It will be placed on the calendar.

Mr. MYERS. Mr. President, is there an amendment pending?

The PRESIDING OFFICER. There is no amendment pending.

Mr. MYERS. I offer the following amendment, and ask that it be read.

The PRESIDING OFFICER. The Secretary will read.

The Secretary read as follows:

Strike out of the printed bill all of page 44 after the word "directors," in line 7, and before the word "the," in line 18; also all of page 44 after the word "prescribed," in line 20, and all of page 45 down to line 8.

Mr. MYERS. Mr. President, the object of that amendment is to strike out of the bill that provision which authorizes the appointment on the board of directors of each road which incorporates under the provisions of this bill two employees of the road and two directors from the public. The bill as it is provides that on the board of directors of each road which incorporates under the provisions of this measure there shall be at least two directors from among the employees of the road and two directors to be appointed from the public by the transportation board. The bill provides that the affairs of each corporation shall be managed by a board of not less than 11 nor more than 15 directors. It provides that two of those directors shall be taken from among the employees of the road and two from the public, to be selected and appointed by the transportation board.

Mr. NORRIS. Does this amendment strike out that provision?

Mr. MYERS. It does.

Mr. NORRIS. So it would take four directors off?

Mr. MYERS. It would leave the number 11 or 15, as the case might be, but none would be taken from among the employees or from the public.

Mr. NORRIS. No directors from employees and no directors representing the public?

Mr. MYERS. That is correct. It would simply do away with two directors from the employees and two from the public. I am a believer in the good old-fashioned Anglo-Saxon doctrine that a man who owns a business has a right to run it; that a man who owns property has a right to control it. The only interest employees have in the management of railroads is to get adequate wages and fair working conditions. They should have them. I am in favor of that. But that is absolutely provided for elsewhere in this bill. That is taken care of. That is not overlooked by any means. The bill provides that there shall be a commission on wages and working conditions; also a number of regional boards of wages and working conditions. On each regional board and on the commission of wages and working conditions the employees have one half of the membership. One half of the representation is to come from among the employees.

Thus they are to have a voice in the fixing of wages and working conditions. The other half of the membership of the commissions and regional boards is to come from the owners of the roads. So the owners of the roads and the employees are to be equally represented. Each will have an equal voice. The employees are to have an equal voice with the owners in fixing their wages and working conditions. That is all right. That is taken care of. The bill provides that if a regional board can not agree on wages and working conditions, there shall be an appeal to the commission on wages and working conditions, and if it can not agree an appeal shall be taken to the transportation board, which shall settle the question. So I do not see any necessity for having people from among the public or people from among the employees on the board of directors of a road.

I believe the people who invest money in a business should have the privilege of conducting and operating it and, if it be engaged in interstate commerce, that such privilege should be subject to control and recognition by the United States Government.

We are providing by this bill that the roads are to be managed by their owners and to be conducted by them, subject to control, regulation, and supervision by the United States Government, and when that is provided for and when provision is made that the employees shall have an equal voice in the fixing of wages and working conditions and that the employees shall have adequate wages and fair working conditions and that revenue must be raised with which to defray the expense, I do not see the necessity of going any further in intermeddling or interfering with privately owned business.



I do not see the necessity of going any further with paternalism. I agree with very much of the substantive principles underlying the remarks just made by the esteemed Senator from South Carolina [Mr. DIAL]. I am opposed to Government interference with business any more than is necessary. I am very much opposed to paternalism, and I do not desire to carry it any further than is absolutely necessary. It does seem necessary, though, for the United States Government to take supervision of the railroads of the country. It seems necessary to provide adequate wages and fair working conditions and to make provision for an adequate return on investment and to provide against railroad strikes, which interfere with interstate commerce, tie up the business of the country, and bring freezing and starving conditions upon the people.

On account of the necessity of providing for these things I am willing to support this bill. In principle I really agree with the theory of the Senator from South Carolina [Mr. DIAL] that people and business interests and corporations should stand upon their own merit and sink or swim without help or interference from the Government. But the railroad business of the country has gotten into such condition that it seems necessary for the Government to take some supervision over it, to control in a general way its operations, and particularly to prevent nationwide railroad strikes and, as a corollary, hand in hand with that, to provide adequate wages and fair working conditions for the employees.

But I do not want to go any further in that direction than is absolutely necessary. This idea of saying that two members of the board of directors of each road shall be employees and two more shall come from the public I think is unnecessary. I can see no necessity for it. Wages and working conditions are provided for in another way. They are provided through other bodies, the regional boards, the commission on wages and working conditions, and the transportation board. They are amply taken care of, and I can see no reason for having representation of employees and the public on the board of directors.

You may say it is to represent the employees. All the employees are interested in is getting adequate wages and fair working conditions. If they get them, they are satisfied, and they are provided for.

You may say that it is to represent the public. The public is taken care of by the entire bill. The whole theory of the bill is to take care of the public, and I do not see that it needs these two representatives on the board of directors.

I think the provision which I am aiming to strike out is an unwarranted interference with the right of private property. I am willing to interfere with private property where the general good requires, where it is necessary for the general welfare, where it is necessary for the preservation of peace and the welfare of the whole people, but no further. I have always understood that in order to be a director of a corporation one must be a stockholder. It should be so. If there are no stockholders among the employees, how are you going to make an employee a director? Are you going to take a man who is not a stockholder and make him a director? Are the two men to be selected from the public not to be stockholders? Are you going to take from the public men who are not stockholders and make them directors?

I think every man who is a director of a corporation should be a stockholder in the corporation. He should be directly interested, financially interested, in the corporation. I believe it right and proper to take the directors of a corporation from among the people who have their money invested in that corporation, who have their money at stake, and who are financially interested in the economical management of the corporation.

If I get three or four neighbors, or whatever may be the required number, to go in with me, and they each put in a little money and I put in most of the money, and we organize a national bank, it is under the control of the Federal Government, and properly so, because it is a Federal corporation. But would you have any right to say to me that I must make my janitor and my bookkeeper directors of that bank, men who have no financial interest whatever in its success, men who were only interested in doing their work and getting their wages? I say the people who put their money into the bank, the people who are stockholders, have a right to say who shall be the directors of the bank. The directors of a national bank should be chosen from among the stockholders—people who have put their money into the institution and are pecuniarily interested. Let the bank be under Federal control. That is right and well enough, because it is a Federal institution. Make the Federal control as rigid as you may see fit, but let the conduct of the business be in the hands of the men who supply the money.

I do not see any warrant for going to this extreme paternalism and saying who shall be directors of a corporation, even though engaged in interstate commerce. You may provide what the directors have to do and how they shall conduct their business, and what the penalty shall be if they do not conduct their business in the way prescribed by law, but let the people who put up the money name the directors.

My father was a farmer. He had a farm and always employed help on his farm—some negro and some white. But would it have been right for the law to have said that he must take into consultation the men whom he employed on the farm and must let them have a voice in directing the operations of that farm and of running it—let them say this field should be put in wheat and that should be put in corn?

There are men in the Senate who own cotton plantations. Would they want their employees to be made, as it were, directors of their plantations and to have a voice in the conduct of those plantations?

There are men in the Senate who own ranches and farms in the West. Would they think it right to have to take their foremen and other employees into joint management and let them be made directors or managers of their ranches? No; the men who furnish the money have the right to say how those ranches shall be run and how they shall be conducted. But if they undertake to conduct them in contravention of the public interest or contrary to the general welfare, then let some legislative body say that shall not be done.

I believe the bill would be just as good a bill, just as good for the employees and just as well for all, without this paternalistic interference with private business. I was not present at all the hearings held by the committee on the bill, but I understand that representatives of organized labor appeared before the committee when this provision was being considered and said they did not want representation of employees on the board of directors; said they were not interested in it, and, in fact, objected to it. If the representatives of organized labor do not want it, why should anybody else want it?

Therefore I hope my amendment may be adopted.

Mr. LA FOLLETTE. Mr. President, if the Senate adjourns to meet at 11 o'clock to-morrow, as I understand is contemplated, I desire to say that I have not completed my observations upon the bill, and if I can get recognition at the expiration of the morning hour, at 1 o'clock, I will resume my discussion of the measure that is pending.

Mr. MYERS. I did not know that I was interfering with the remarks of the Senator from Wisconsin. I did not mean to get in ahead of him.

Mr. LA FOLLETTE. Oh, no; that is all right.

Mr. JONES of Washington. Mr. President, I desire to ask the chairman of the committee a question. I did not understand just how he reported the House bill awhile ago. As I studied about it, I wondered if he reported it simply striking out everything after the enacting clause and letting it go on the calendar in that way.

Mr. CUMMINS. That is the way I reported it, striking out all after the enacting clause and inserting the Senate bill in lieu of the part stricken out.

Mr. JONES of Washington. Inserting the Senate bill as it was reported to the Senate?

Mr. CUMMINS. Precisely. I could not do otherwise, because there have been as yet no amendments made to the Senate bill. When I call up the House bill, if there have been amendments in the meantime made to the Senate bill, I shall change the motion so that the Senate bill as approved by the Senate will be substituted for the House bill. I know of no other way in which to get the matter into the conference properly.

Mr. JONES of Washington. It occurred to me that the best way would be to withhold the reporting of the House bill until we had perfected the Senate bill, and then the Senator from Iowa no doubt could get unanimous consent to report the House bill with the Senate bill substituted as agreed to by the Senate. However, I do not know but that this probably can be done just as well.

Mr. CUMMINS. I hope it can be done in that way even with the House bill on the calendar.

Mr. JONES of Washington. I suppose it will have to be done by unanimous consent or else we may be tied up with a parliamentary situation.

Mr. CUMMINS. Yes; I think so.

Mr. JONES of Washington. I think the Senator will have no trouble about securing unanimous consent.

Mr. CUMMINS. I hope not to have any trouble about it.

Mr. JONES of Washington. I got the impression that the Senator was reporting the House bill just as it was and that it

was to go on the calendar in that way, and the country might get a wrong impression concerning the report of the committee.

Mr. CUMMINS. I think perhaps I did not express myself very well in making the report, but I intended to report it in the way I have suggested, and I think that is the proper way.

Mr. JONES of Washington. I got the impression that the Senator stated that he intended hereafter to substitute the Senate bill.

Mr. CUMMINS. Mr. President, I move that the Senate adjourn until 11 o'clock to-morrow.

Mr. MYERS. Will the Senator withhold that motion just a moment?

Mr. CUMMINS. Certainly.

Mr. MYERS. I should like to make the request that if the bill does go over until to-morrow my amendment may be printed.

The PRESIDING OFFICER. The amendment of the Senator from Montana will be printed and lie on the table.

#### ADJOURNMENT.

Mr. CUMMINS. I renew my motion that the Senate adjourn until to-morrow at 11 o'clock.

The motion was agreed to; and (at 5 o'clock and 15 minutes) the Senate adjourned until to-morrow, Wednesday, December 10, 1919, at 11 o'clock a. m.

## HOUSE OF REPRESENTATIVES.

TUESDAY, December 9, 1919.

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, offered the following prayer:

Infinite Spirit, our Heavenly Father, from Whom cometh all wisdom, strength, courage, fortitude, right thinking therefore, and right living, we find ourselves as a people confronted with grave and momentous questions within our own borders and with our neighbors; hence we appeal to Thee, that our authorities in State and Nation may be able to solve them and establish peace within and without, loving mercy, doing justly, walking humbly with Thee. In the spirit of the Master. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### MESSAGE FROM THE PRESIDENT—ANNUAL REPORT OF THE COUNCIL OF NATIONAL DEFENSE.

The SPEAKER laid before the House the following message from the President of the United States:

*To the Senate and House of Representatives:*

In compliance with the provisions of section 2 of the act of Congress approved August 29, 1916, making appropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes, I transmit herewith the third annual report of the Council of National Defense for the fiscal year ended June 30, 1919.

WOODROW WILSON.

THE WHITE HOUSE, 8 December, 1919.

The SPEAKER. Referred to the Committee on Appropriations.

#### ANTIDUMPING LEGISLATION.

Mr. FORDNEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 10918, and, pending that motion, Mr. Speaker, I would like to arrange with the gentleman from North Carolina [Mr. KITCHIN] for general debate. I have requests for 1 hour and 40 minutes, including the giving of 40 minutes to the gentleman from Idaho to discuss a question he asked unanimous consent to present yesterday, but was unable to do so because of the bill taking all day.

Mr. KITCHIN. So the gentleman does not wish to confine general debate to the bill?

Mr. FORDNEY. Yes; except the gentleman from Iowa [Mr. GOOD] wants 15 minutes to make a statement with reference to appropriations, and I think Mr. CRAIG wants about 15 minutes also, but nothing of a political matter.

Mr. KITCHIN. If the gentleman from Idaho has 40 minutes to make a speech on another subject, and the gentleman from Iowa has 15 minutes to make another speech, and the gentleman from Pennsylvania has 15 minutes to make another speech, that will take 1 hour and 10 minutes.

Mr. FORDNEY. Yes; and then the discussion will be confined absolutely to the bill. I ask that chiefly for the reason that the Democratic members of the Ways and Means Committee unanimously favor this bill, and I would rather not see any politics come into the discussion.

Mr. KITCHIN. Suppose we have three hours, an hour and a half to a side, and let them talk on what they please. I am going to confine my remarks to the bill, and I suppose the gentleman is.

Mr. FORDNEY. I will also, and so will the gentleman. How much time does the gentleman say?

Mr. KITCHIN. An hour and a half to a side.

Mr. FORDNEY. That will give 50 minutes. We have got 1 hour and 10 minutes for these gentlemen on other matters, and that will only give me 10 minutes for discussion of the bill.

Mr. KITCHIN. I will give the gentleman some of my time for discussion of the bill.

Mr. FORDNEY. I would like not more than 30 minutes. Has the gentleman requests for all of the time or could he yield a portion?

Mr. KITCHIN. I have requests for about 30 or 40 minutes. Mr. FORDNEY. Will the gentleman yield a portion of that time to the gentleman from Idaho [Mr. FRENCH]?

Mr. KITCHIN. I will say this: As far as Mr. FRENCH is concerned I will yield 20 minutes of my time to him and 20 minutes to the gentleman.

Mr. FORDNEY. Giving 40 minutes to this side for a discussion of the bill.

Mr. KITCHIN. Let the gentleman yield the gentleman from Idaho 20 minutes, and I will yield him 20 minutes.

Mr. GREEN of Iowa. Will the gentleman yield to me for a moment?

Mr. FORDNEY. I will.

Mr. GREEN of Iowa. I just want to say that I think our chairman is sometimes a little bit too good natured and accommodating, his nature being exactly that way, in yielding time. I wish those Members who wish time to talk on other subjects would not insist always on the Ways and Means Committee giving it to them, because they are always charging it up to the Ways and Means Committee, and they could get their opportunity just as well at another time.

Mr. HULINGS. I want about 10 minutes this morning.

Mr. GREEN of Iowa. The result is to cut out some members of the Ways and Means Committee themselves. I feel obliged not to ask for any time in general debate for the reason so many Members come in and insist on having time given them by the chairman. I shall not, however, object. I would be very much better pleased, and I think the House would be better satisfied, if these requests came in at another time and not when the Committee on Ways and Means has a matter under consideration.

The SPEAKER. The gentleman from Michigan asks unanimous consent—

Mr. FORDNEY. Would not the gentleman from North Carolina agree to make that an hour and forty-five minutes on a side, because the time agreed upon would only give me 10 minutes.

Mr. KITCHIN. Let us have an hour and forty-five minutes for each side, and I will yield the gentleman 20 minutes.

Mr. HULINGS. I want to ask the chairman of the committee if he could make arrangements to let me in there for about 10 minutes?

Mr. FORDNEY. I will arrange to get the gentleman in under the five-minute rule, because we want to get through the discussion of this bill to-day. I will arrange to get the gentleman in under the five-minute rule.

Mr. HULINGS. That does not suit me at all. I do not want to talk under the five-minute rule.

Mr. FORDNEY. I would like to accommodate the gentleman, but we must confine this debate to the bill.

Mr. HULINGS. I do not know what the bill is. I want to talk on something that is quite as important as the bill, I think.

Mr. FORDNEY. Well, I will try to get the gentleman in under the five-minute rule.

Mr. HULINGS. I do not want to get in under the five-minute rule.

The SPEAKER. The gentleman from Michigan asks unanimous consent that the general debate be limited to three and a half hours, an hour and forty-five minutes to be controlled by himself and an hour and forty-five minutes by the gentleman from North Carolina [Mr. KITCHIN]. Is there objection? [After a pause.] The Chair hears none. The question is on the motion that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 10918, the antidumping bill, with Mr. MANN of Illinois in the chair.